

United States Department of the Interior BUREAU OF INDIAN AFFAIRS WESTERN REGION OFFICE P.O. BOX 10 PHOENIX, ARIZONA 85001



IN REPLY REFER TO:
Environmental Management, MS-620EM 602-379-3491

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AUG SV ZIIS Compliance of Engineering

AUG 2 5 2005

Mr. John R. Jacus, Esq. DAVIS GRAHAM & STUBBS LLP 1550 Seventeenth Street, Suite 500 Denver, Colorado 80202

Subject:

Storage of Solid Waste Generated by the Hecla Mining Company

Dear Mr. Jacus:

We are in receipt of your letter, dated August 2, 2005 concerning Hecla Mining Company's refusal to remove solid waste stored in the Hecla Pond impoundment. Needless to say, we are disappointed at this refusal. Currently, we are working to provide you further justification and rationale regarding the intent of the lease for the removal option.

In addition, we have contacted Ninyo & Moore to request a cost estimate for the removal option, as well as technical information regarding the existing option to leave the solid waste in place. We plan to provide you with both additional lease and environmental information by September 9, 2005. Subsequent to our provision of this information, we will be requesting a meeting between Hecla, the Bureau of Indian Affairs (BIA), and the Shivwits Band of the Paiute Indian Tribe of Utah to discuss this matter.

Over and above our disagreement concerning lease provisions and the technical adequacy of the existing option, leaving the solid waste in place poses long-term negative environmental consequences and liability, and limits or reduces future use at an economically viable commercial and industrial area. With this in mind, and in order to encourage further consideration by Hecla of the removal option, the BIA is willing to cost share this alternative to the extent funding is available, which is among the issues we wish to discuss at the proposed meeting.

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If you have any questions regarding real estate or environmental management, please contact Mr. Stan Webb at 602-379-6781 or Mr. John Krause at 602-379-3491, respectively.

Sincerely,

Bryan Bowker

Acting Regional Director

cc:

-Lora Tom, Chairperson

Paiute Indian Tribe of Utah Tribal Council

-Glenn Rogers, Chairman

Shivwits Band of Paiutes

-Kellie Youngbear, Superintendent

Southern Paiute Agency

-Stan Webb, Chief

Real Estate Services

-Debbie McBride, Chief

Division of Environmental and Cultural Resources Management

-William Quinn, Attorney Advisor

Office of the Field Solicitor, Phoenix, AZ

-Carol Rushin, Assistant Regional Administrator

Office of Enforcement, Compliance and Environmental Justice

EPA Region 8

-Amy Swanson, Enforcement Attorney

EPA Region 8, 8ENF-L

-Ann Robison, Lands Administrator

Hecla Mining Company

-Chris Gypton, Project Manager and Senior Engineer

Hecla Mining Company

-Robert Troisi, Managing Principal

Environmental Sciences Division

Ninyo & Moore, Las Vegas, NV